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7 January 1982

REMARKS TO DDI ANALYSTS AND MANAGERS

I want to thank you for coming today and giving me an opportunity to describe to you directly my views on the Directorate of Intelligence and its work and the steps that the Director, Admiral Inman, and I have agreed would be helpful to improve its capabilities and the quality of its work.

Let me say at the outset, for those of you who do not know me, that I come from the analytical ranks. I began as an analyst in the Office of Current Intelligence and remained basically an analyst until I first went to the NSC Staff early in 1974. So I understand your problems and your perspective.

--I too have tried to cope with vague or ambiguous instructions.

--I have had drafts I sweated over sit in a branch or division chief's in-box for days or weeks.

--I have been pulled off of research to fight current fires.

--I have tried to write analysis knowing full well policymakers and sometimes my own leaders had and were not sharing information essential to my work.

--I too had to prove myself again and again to a rapid succession of branch and division chiefs.

--I saw first-rate work produced under adverse circumstances.



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--I saw the confusion produced by constant changes of leadership and organization, with changing priorities and missions.

--I also saw branch chiefs and colleagues with no area expertise or experience.

--I too had my peerless prose savaged by ranks of supervisors and editors.

--And I worked as an analyst for one or two people who seemed to acquire their management and interpersonal skills from Atilla the Hun instead of Dale Carnegie and the Levinson Seminar.

--And so on. The point is that most of the problems you face I also have faced (except the drive to and from [redacted] 25X1

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On the other hand, my assignments to the NSC and White House under three Presidents of both parties and close association with two DCIs have shown me our senior readers' side of the fence as well--the perspective of the policymaker. And there I have seen:

--analysis that was irrelevant or untimely or unfocused or all three;

--failure by analysts to foresee important developments or events;

--closed-minded, smug, arrogant responses to legitimate questions and constructive criticism;

--analysts pretending to be experts who did not read the language of the country they covered, who had spent little if any time there, who were unfamiliar with its history or culture, who



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were oblivious to academic or private sector research on the country, and who argued that none of that mattered;

--flabby, complacent thinking and questionable assumptions combined with an intolerance of others' views, both in and out of CIA;

--a predilection to write history as opposed to looking ahead;

--poor, verbose writing;

--a pronounced tendency to confuse "objectivity" and "independence" with avoidance of issues germane to the US Government and policymakers;

--research programs too often glued together on the basis of what interested the analyst or was already underway as opposed to senior-level consideration of the key questions to be addressed;

--analysis that too often proved inaccurate or too fuzzy to judge whether right or wrong;

--and so on.

While there have been some improvements, as an insider and as one of you, I am obliged to tell you that from the standpoint of many of those for whom you write, our work has long been inadequate and still is often not held in high esteem. For those of you who did not read my article in Studies in Intelligence last year on the use of intelligence at the White House, let me commend to you the Presidential quotes at the beginning that are so critical of us over a long time.



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To those quotes you may add current criticisms from both of our Oversight Committees and a number of other former senior officials in both Republican and Democratic administrations. The present Director and Deputy Director and both of their predecessors have been deeply concerned about the quality of the DDI's work. Moreover, individual Senators and Representatives from both parties have complained about the substantive quality of briefings and presentations before them.

Unfortunately, in all too many cases their concerns and their criticisms are justified. Obviously, CIA's analysts are capable of and do turn out high quality work. But we also turn out work that is irrelevant, uninteresting, too late to be of value, too narrow, too unimaginative, and, too often, just flat wrong. In a business where being wrong just once can have enormous consequences for our national security interests, we have been too self-confident, too set in our ways, too arrogant, and too defensive in response to criticism--constructive and otherwise. While our list of successes is impressive, the list of our shortcomings, the events where we fell short is in some ways even more impressive. We failed adequately to predict the scope of Soviet strategic deployments during the late 1960s and early 1970s; we failed to anticipate technological breakthroughs such as those that led to the deployment of the ALPHA-class submarine; we missed the revolution in Iran; we failed to predict the Soviet invasion of Aghanistan until they actually began their military preparations; we failed over a number of years to identify for policymakers the magnitude of Soviet efforts to



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acquire Western technology and the nature of those efforts; we failed to anticipate the Egyptian decision to launch a war against Israel in 1973; we significantly misjudged the percentage of Soviet GNP allocated to defense; we have repeatedly misread Cuba; we ignored Soviet interest in terrorism; we have been far behind events in devoting resources to examining instability and insurgency; and that is not an exhaustive list.

My purpose in mentioning a few of these areas where we are properly perceived to have fallen short is not to cast blame or make you defensive, but to try to underscore for you the fact that there is great room for improvement in our performance and that there is justification for much of the outside criticism directed against us. Whether or not you believe these shortcomings exist, your most important consumers--and your Director, Deputy Director and I--believe they exist and see their manifestations every day. We must redouble our efforts to improve. We must act both to improve our performance and people's perception of the quality of our work. The first must precede the second.

As most of you know, until recently the DDI and then NFAC's response to most criticism--particularly in the political intelligence arena--was to make fairly circumscribed organizational changes. We also know that those successive limited reorganizations made little real difference in the way we do our business. However, I believe the large-scale reorganization this fall made a good start in beginning to get at some of our real problems. I strongly endorse the reorganization



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undertaken by John McMahon. I believe it was long overdue and makes a great deal of sense, even though I am aware it will take time to gel and for the moves to be completed. From a substantive standpoint, it is a way to ensure that political, economic, and military analysts are sharing information and insights on a constant basis. From a bureaucratic standpoint, it makes our dealings with other agencies and even within our own Agency much simpler and more efficient. Because of the far-reaching nature of the reorganization undertaken last fall, I see no need for any further reorganization of our office structure. Nor do I see a need at this time to make any significant changes in the resource, personnel, or administrative management of the Directorate--though there will inevitably be some adjustments over time.

The time has come for us to concentrate our energies on improving the quality of analysis. Let me now outline for you the steps that I intend to take in the coming days to begin that effort:

1. Effective immediately, a minimum of a one-year rotational tour in a policy agency or non-intelligence consumer of CIA analysis will be required of all prospective and present DDI division chiefs. At the outset, we will obviously need to be flexible in view of the fact that so few prospective or present division chiefs now have such experience. I expect to begin the program with about 10 rotations each year and initially to administer it flexibly so that no one's career suffers unfairly. But be on notice: hopeful, prospective and present



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division chiefs had best begin planning when they want their rotation. Candidates will be selected by existing career service mechanisms. We have too few in DDI management who know firsthand how the policy agencies work and how they use our intelligence day in and day out. Managers cannot usefully guide analysts and understand consumer requirements themselves without such experience. By way of analogy, the DDI is supposed to design and build cars but too few managers here have seen one, ridden in one, or much less, driven one. This must and will change.

2. All DDI research programs will be reevaluated in the coming weeks. As part of the evaluation, each office will be expected to provide a report on research underway in other parts of the Intelligence Community on the subjects described in their research programs. They also will be asked to identify whether research on similar subjects is underway outside the US Government and, if so, where it is being done and whether the DDI has been in contact to determine the value of the outside work. The research program for each office will be evaluated in terms of relevance to the needs of the President and the National Security Council. Self-initiated projects that alert policymakers to issues that have not yet come before them but are likely to pose problems ahead will be continued. Building block research on <u>important</u> areas also will be identified and protected. Other projects likely will be pruned to free analysts



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for higher priority work. I will review the results with the Research Planning Steering Group.

3. You and your supervisors will be evaluated and promoted on the basis of the quality of your work. Each DDI office will be required immediately to develop and maintain a production file on each analyst whose primary job is research and writing. As you know, DDI branch and division chiefs often remain in one place for only a year or two. Too frequently, a proven analyst must "start over" each time he or she gets a new supervisor. The analyst production file will help ensure that an analyst's reputation does not rest on the recall of transitory chiefs. At the same time, the body of an analyst's work will assist new supervisors in quickly becoming familiar with their analysts' strengths and weaknesses--and targeting shortcomings for remedy. Additionally, the file will enable supervisors to gauge whether an analyst is getting better over time, as well as the overall accuracy and quality of his or her work. These too long have depended on supervisors' memories and impressions. This production file will circulate to members of career service panels when an analyst is being considered for evaluation, ranking and/or promotion. Evaluation of his or her production will be the primary element in consideration for promotion and for each analyst's annual evaluation. Quality, not quantity, will be the basis of evaluation. Analysts and managers, working together, will pull together a production file for each analyst for calendar year 1981 or further back as you wish, which will



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serve as the basis of the production file. These files will be maintained at the division level.

4. The Senior Review Panel is being transferred to a purely Intelligence Community role. In its place a DDI Production Evaluation Staff will be established. Consisting of four or five professionals, including perhaps one or two outsiders, this staff will be charged with reviewing specific DDI products, categories of production (e.g., current inelligence publications), office publications, and so forth. Their reports, accompanied by comments from the head of the component producing the evaluated material, will be forwarded to Evan Hineman and me. Evaluations will consider relevance, timeliness, quality of writing and presentation, innovativeness, imagination, and above all, accuracy. This Staff will be the DDI's own "junkyard dog."

5. Beginning this year, DDI analysts will be expected to refresh their substantive knowledge and broaden their perspective through regular outside training. This may be at a local university, courses sponsored by local institutes or think-tanks, or other arrangements to be approved by office directors. The DDI will pay the cost of this training. Each analyst will take academic courses for credit and the grade will be recorded in his personnel file for consideration at the time of evaluation. Within a year or two, when we can ensure the availability of necessary funds, each analyst will be required to take at last one three-hour course or its equivalent every two years. In the meantime, DDI will pay for as many such courses as we can afford and analysts who take advantage of such training opportunities



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will receive preferential consideration for travel, promotions, and in their evaluations.

6. A Center for Instability, Terrorism, and Insurgency will be established. This reflects my view that one of the principal challenges this country will face in this decade--as since 1975--will be Third World instability and Soviet exploitation of it. Instability, terrorism, and insurgency are related elements of this challenge and we cannot afford to slight them any longer. The existing terrorism unit will be incorporated in this Center. The Center will include a core unit for the study of instability. Because no one--no one--in the DDI is working on the general problem of insurgency, a small group also will be formed to work on this difficult problem. Those in charge of each of the three elements will chair directorate-wide working groups to ensure constant interchange between those examining the problems in a general sense and those analyzing them on a region-specific basis. The Center will work closely with the DDO.

7. Current intelligence publications will henceforth present information in two parts. Most stories will begin with a recitation of the facts as we know them. After the reader has been informed of the facts, each piece will have a "comment" section, which will contain DDI analysis of the factual information just presented. Too often there is confusion in the reader's mind between what is fact and what is analysis. Also, too often the present format allows the recitation of facts to pass for analysis and disguises the dearth of the latter in a



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piece. There will be more emphasis on including in each item analysis of real value to the reader.

8. The title "National Foreign Assessment Center" led to confusion on the outside whether we were part of CIA and what our role was. It differentiated us from the other directorates in CIA and implied we were somehow detached from them. As I announced on Monday, the title "National Foreign Assessment Center" has been dropped and the directorate is once again the Directorate of Intelligence and is to be known, as in the past, as the DDI. The position DD/NFA also will be abolished, although I will continue to discharge some Community-wide responsibilities for production on behalf of the DCI.

9. Each office will be required to develop an aggressive program of contacts, conferences, and seminars on important subjects. Subjects of these meetings should correlate closely with each office's research program and should be intended to inform those in the office associated with such projects of the views of experts outside CIA and the Intelligence Community. A schedule of such conferences and seminars will be prepared on an annual basis and will parallel the research program, although other relevant topics may be addressed. Similarly, the offices will be expected to develop a roster of outside contacts and consultants on each country or general subject area who will be asked regularly to review drafts and provide critical commentary.

10. The accuracy, relevance, and timeliness of each DDI product is the primary responsibility of the analyst and branch, division, and office chiefs. Until further notice, all draft



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intelligence assessments, research papers, Congressional briefings prepared for DCI/DDCI use, and typescript memoranda prepared for circulation to policy agencies will be provided to me for review before publication or dispatch. Those which are time urgent shall be so marked, with the deadline clearly indicated. Each draft will bear the name and initials of the analyst and approving branch, division and office chiefs--those who bear responsibility for its quality--and the dates the draft was received and forwarded to the next level. I expect managers to process drafts promptly and--although I know what I am letting myself in for--I assure you I will not hold any draft, even if not time sensitive, more than 48 hours. More urgent papers will be reviewed so as to meet deadlines. This is not to plague you with even more editors. Your office director and I will be reviewing drafts to see if they answer the right questions, are well thought out, are realistic, do all the work for us they can do, and are clear.

11. In an intelligence organization, it is essential that voices crying in the wilderness--those who hold unorthodox or minority views--be heard. Beginning immediately, any analyst who believes his office publications, Agency publications, or other formal channels are not addressing key substantive issues, problems or divergent views in his or her area of responsibility, is invited to send me a memorandum setting forth these concerns and alternative views. Such memoranda should be forwarded through the Office Director, but the Office Directors are obligated to send them to me. This is a serious undertaking for



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people with serious misgivings or concerns. I do not expect this opportunity to be abused with frivolous subjects or trivial disputes within organizations. This measure should help ensure that bureaucratic hierarchies do not limit the expression of serious views by experienced analysts. I personally assure you that no analyst will be penalized or suffer for taking advantage of this opportunity. Indeed, such conscientiousness should be welcomed. Let me just add that, in my view, this opportunity and other available channels provide ample recourse for those who believe their views are not being taken into account. There is, accordingly, no excuse for breaching discipline and carrying complaints to outside audiences while ignoring these internally available opportunities for redress.

As these eleven actions--and others which likely will follow over time--suggest, I intend to ensure that the primary focus of you and your managers is kept on the single purpose for our existence: to produce the best quality intelligence analysis available anywhere. That is my only goal. I expect analysts to know their subject--past, present, and future; to know the intelligence sources from which they derive information and how to use and task those sources properly; to know what outside experts are thinking about their subject; to master the tools of analysis including, for example and where appropriate, language and computer skills, and to be aware of the priorities of our policymakers. And I expect analysts to write accurately and congently. The steps I have outlined above are intended to direct all of our energies to that purpose.



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One of my great concerns is the growing bureaucratization of intelligence, including analysis. Dangers to good analysis include preoccupation with turf as opposed to quality and substance; the belief that we in this building have all the answers; and those who view this as just another humdrum office job.

My greatest concerns, however, are the dead hand of routine and intellectual arrogance, both of which impose a terrible price on us. No analyst sitting at the desk day after day reading FBIS and cable traffic and talking only to the same people can produce quality intelligence. Other agencies and outside experts in academe, business, and other areas have many insights and ideas to offer us. Our own DDO, and especially many chiefs of station are an underused resource for "ground truth." We must give the highest priority to ensuring a lively intellectual atmosphere, a questioning and creative spirit, and above all a sense of adventure. We are an intelligence organization. We are not an academic institution or faculty. Real policies and decisions actually affecting our national well being, are made daily on the basis of the work we do. Accordingly, we must be diligent searchers for information and insight--wherever we can find them-and then, in possession of all of the knowledge that reasonably can be obtained, we must lean forward, look into the future and tell our leaders what to expect. I repeat, we must lean forward and tell people what to expect. That is what we get paid for. Decisions almost always are made on imperfect information. There is never enough data. There will always be speculation and



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guessing as to consequences or future events. Far better for a DDI analyst with years of experience, familiar with the culture and society of a given area, aware of the latest information available both to Government and to the private sector, to make those forecasts and predictions than an exhausted senior policy maker lacking all the advantages of area knowledge, experience, and instinct.

I will close by suggesting to you, based on personal observation, that nowhere else in Government does one have the opportunity to address the major issues of our time and to speak so directly to those who govern our country as do CIA analysts. In no other agency do those in the trenches have such frequent and direct contact with the heads of their agencies and through them--and often directly--access to the most senior officials of Government. The DDI has been through several years of turmoil. I hope we can now look forward to several years of organizational stability during which we can devote our energies to making this directorate the most highly respected analytical organization in the United States. Our goal should be the realization on the part of people throughout Government and at all levels that if they have not talked to you or read your analysis, then they are by definition badly informed. We will have to earn that back.

I look forward to working with you to achieve that goal. Thank you.



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